



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
US ARMY CONTRACTING SUPPORT AGENCY
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15 DEC 1995

SFAE-CSA-PPP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Purchases From Non Appropriated Fund
Instrumentalities

A recent White Hat Initiative from U.S. Army Forces Command revealed the need for additional clarification and guidance on the use of appropriated funds to purchase supplies and services from non appropriated fund instrumentalities (NAFIs).


The Office of the Army Judge Advocate issued the attached opinion that appropriated funds up to \$2,500 may be used to purchase supplies/services from NAFIs. The opinion is based in part on the statutory authority to purchase non-competitively up to \$2,500. It should, however, be noted that micropurchases should be rotated among vendors.

The prohibition at AFARS 13.9003 (k) has been removed from the pending AFARS revision. However, the FAR writing convention, as identified in FAR Subpart 1.102(d), stipulates that members of the acquisition team may assume if a specific strategy, practice, policy or procedure is in the best interests of the Government and is not addressed in the FAR, nor prohibited by law, Executive Order or other regulation, that the strategy, practice, policy or procedure is a permissible exercise of authority.

Therefore, the Army IMPAC Purchase Card may be used as a method of procurement for purchases of supplies or services from NAFIs up to \$2,500, if not otherwise prohibited by law, Executive Order or other regulation. Purchases up to \$50,000 may be made from Post Exchanges only (vice NAFIs) by overseas organizations and the purchase card can be used as the method of payment.

Questions on this subject should be addressed to Mr. Bruce E. Sullivan, Army Program Coordinator, (DSN) 761-9086 or (e.mail) sullivanb@sarda.army.mil.




LEE THOMPSON
Colonel, GS
Director

Attachment

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